

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1917
ANSWERED ON:26.07.2002
USE OF FOREIGN TECHNOLOGY
VIJAY KUMAR KHANDELWAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether foreign technology has also entered in the Indian industries simultaneously with the foreign capital investment;
- (b) if so, the names of traditional industries of the country in which use of advanced foreign technology has been encouraged so far;
- (c) whether the use of this technology has resulted in increase in production and has also reduced the cost of production; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

- (a) : Yes, Sir. Over 2000 proposals have been approved for both financial and technical collaboration since January, 1991 to 31-5-2002. Apart from this, 7,039 proposals have been approved purely for foreign technical collaboration.
- (b) : Government has put in place a liberal foreign technology collaboration regime for joint ventures which permits lumpsum payment not exceeding US\$2 million and royalty payment not exceeding 5% / 8% on domestic sales/exports for a period not exceeding 10 years from the date of Agreement or 7 years from the date of commencing production, whichever is earlier, under the automatic route. The above regime is applicable to all industries, including traditional industries.
- (c) : The use of advanced technology results in tangible economic benefits in terms of higher productivity, more efficient use of raw materials, minimisation of wastage and cost reduction.
- (d) : The economic benefit derived out of the use of modern technology is reflected in the level of profitability, which is also dependent on many other factors.